

July 2008

Daniels County FSA

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County Committee Members

Alan Danelson – Chair
Rick Marriage – Vice-Chair
Murray Dighans – Member

FSA Office Personnel

Smokey Benson, CED ----- ext. 102
Lisa Tvedt, PT ----- ext. 112
JoAnn Lekvold, PT ----- ext. 113
Bonnie Modine, PT ----- ext. 114
Molly Crohn, PT ----- ext. 116
Jaylein Nickels, Loan Officer - ext. 110
Gerry Farver, Field ----- ext. 111
Ronnalee Harrold, TO ----- ext. 109
Rebecca Fladager, TO ----- ext. 100

Dates to Remember:

May 15-July 15 – FSA State Committee established Primary Nesting Season for CRP

May 15-August 1 – Primary Nesting Season for CRP contracts affected by the National Wildlife Federations settlement agreement with FSA

June 2 – Critical feed program signup began

June 15 – COC Nominations Open

June 23 – CDP Quality Signup Began

June 25 – DCP Signup Began

Notice of Loss – filed within 15 calendar days of the natural disaster occurrence or the date the damage to the crop or loss of production was apparent

July 15 – Acreage report deadline

July 15 – deadline to provide 2007 production for NAP APH

July 15 – 2007 NAP Application for Payment Deadline

July 18 – LIP/LCP Signup Deadline

August 1 – Deadline for reconstitutions

August 1 – COC nominations close

September 30 – October 1 – Women Stepping Forward for Agriculture Symposium, Billings



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Signup for Crop Disaster Program Quality Losses Begins

Eligible producers who suffered quality losses to their crops during 2005-2007 can begin signing up for benefits in the Crop Disaster Program (CDP).

The program is open to anyone who suffered losses to their 2005-2007 crops from natural disasters and related conditions. Producers who incurred qualifying quality losses in 2005, 2006, or 2007 may receive benefits for only one of these years. However, producers may apply for benefits for losses to multiple crops as long as the losses occurred in the same crop year.

To receive benefits from CDP for quality losses, producers must have had crop insurance or been covered under the Noninsured Crop Disaster Assistance Program (NAP) for the disaster year that the quality loss occurred. Producers must have suffered quality losses of at least 25 percent and also suffered an economic loss of 25 percent compared to the crops value if the crop had not suffered a quality loss to be eligible for CDP quality loss benefits.

In determining affected production, participants in CDP must supply verifiable production records to the FSA county committee to substantiate the level of quality loss. Verifiable production records must include the quantity of production, indicate the level of quality loss and the price.

Verifiable production records include, but are not limited to: commercial receipts, settlement sheets, warehouse ledger sheets, load summaries or acceptable forage test.

Production of a commodity sold under a marketing contract is eligible for CDP quality loss. Producers have the option to submit marketing contracts. If the marketing contract is determined to be a valid contract then the contract price will be used to calculate the loss levels for quality and the quality payment.

Signup for the program began June 23rd. Currently no ending date has been set.

Direct and Counter-cyclical Payment Program signup Begins

Signup for the DCP program began June 25th and will end September 30, 2008.

Commodities covered by DCP include wheat, corn, grain sorghum, including dual purpose varieties that can be harvested as grain; barley, oats, soybeans, canola, flaxseed, mustard, safflower, crambe, sesame seed, rapeseed and sunflowers including oil and non-oil varieties. Beginning with the 2009 crop year, pulse crops, including chickpeas (both Kabuli (large) and Desi (small) Garbanzo beans), dry peas, and lentils will be added as covered commodities. Chickpeas, both Kabuli and Desi Garbanzo beans are not considered a vegetable beginning with 2008.

Annually, producers must sign a CCC-509, DCP contract, designating shares. The CCC-502 (Farm Operating Plan for Payment Eligibility Review for an Individual) and an AD-1026 (Highly Erodible Land Conservation and Wetland Conservation Certification) need to be on file to be eligible for payments.

DCP base acres in effect on September 30, 2007 will be in effect for 2008. Producers on a farm with a total of 10 base acres or less are not eligible to receive payments on that farm unless the farm is wholly owned by a minority or limited resource farmer or rancher.

The 2008 Farm Bill also provides for restoring base acreages when a Conservation Reserve Program (CRP) contract expires or is voluntarily terminated provided there is enough effective DCP cropland acreage on the farm to support the base.

Payment rates for eligible crops were fixed in the 2008 Farm Bill. Direct payment rates are:

Crop	2008 Payment Rate
Barley	\$0.24/bu
Corn	\$0.28/bu
Grain Sorghum	\$0.35/bu
Oats	\$0.024/bu
Other Oilseeds	\$0.80/cwt
Soybeans	\$0.44/bu
Wheat	\$0.52/bu

Payment acreage for the 2008 DCP is equal to 85 percent of the eligible base acreage.

Changes to Revocable Trusts, Estates, and Limited Liability Companies (LLCs)

The 2008 Farm Bill implemented new changes to the way FSA deals with revocable trusts, estates, and LLCs. The major changes are:

- Estates can no longer use the Social Security Number (SSN) of the deceased individual. The estate must obtain an IRS Employer Identification Number (EIN) for the estate. Once a producer is deceased, payments must be made to the EIN.
- Revocable trusts must now obtain an EIN if a third party is serving as trustee or successor trustee. Revocable trusts with a single person serving as grantor, beneficiary, and trustee, who does not hold another interest in an entity earning payment or as an individual may continue to use their SSNs as an identifying number.
- Beginning in FY 2009, beginning October 1, 2008, LLC's with one member must use a tax ID number.

These changes are effective immediately. Revocable Trusts with a third party serving as trustee that are currently operating under a SSN will be required to provide a tax ID number prior to any future program sign ups. LLCs using a SSN will be required to obtain an EIN prior to FY2009 program signups.

Web addresses for the IRS policies requiring estates and LLCs to have a Tax ID number are available at <http://www.irs.gov/pub/irs-pdf/p1635.pdf> page 16, section H, LLC.

LIP and LCP Signup Deadline

The deadline for the 2005-2007 Livestock Compensation Program (LCP) and Livestock Indemnity Program (LIP) is July 18, 2008.

LIP provides payments to livestock owners and contract growers whose livestock died because of a natural disaster. LCP provides payments to livestock owners and cash lessees who suffered feed losses or increased feed costs because of a natural disaster.

Losses must have occurred between January 1, 2005 and December 30, 2007 because of a natural disaster.

2008 Farm Bill Provides Changes to Farm Loans

Some of the changes relating to the Farm Bill effective May 22, 2008:

- The maximum loan amount authorized for Direct Farm Ownership or Farm Operating loans has increased from \$200,000.00 to \$300,000.00 per program.
- Down Payment Loan Program has been modified by several changes in the Farm Bill. The program is expanded to include Socially Disadvantaged farmers in addition to beginning farmers and ranchers. The interest rate is specified as the greater of the direct FO regular rate less 4% or the floor of 1.5%. The maximum loan amount is an amount not to exceed 45 % of the purchase price, appraised value or \$225,000.00. The loan term is extended from 15 to 20 years and the down payment has been reduced from 10% to 5%.
- Direct loan assistance for farm ownership loans has been modified on the amount of farming experience one needs to be eligible for the loan program. Farm experience will be considered without regard to time elapsing between when the experience occurred. No longer requires three consecutive years of experience prior to making application.

Hazardous Fuels Reduction Program

Resource Conservation & Development Areas (RC&D's) across Montana have joined forces with Extension Service Offices to assist landowners with creating defensible space around their homes. By doing this, landowners will reduce the risk of catastrophic wildfire and implement management practices that increase forest health.

The program provides technical and financial assistance for landowners to develop and implement a hazardous fuels mitigation plan. Grant funding is available for landowners to assist with cost-share for paying for fuels reduction work (clearing, thinning, and trimming vegetation).

For an RC&D office near you, contact your local Natural Resources Conservation Service located in the USDA Service Center.

2008 Reconstitutions

The 2008 Farm Bill states a producer of a farm with base acres of 10.0 acres or less may not receive direct payments, counter-cyclical payments or average crop revenue election payments except if the farm is owned by a minority or a limited resource farmer or rancher. Producers may no longer request that these farms be combined with another farm except in limited circumstances.

A farm having base acres of 10.0 acres or less may be combined with another farm if one of the farms undergoes a change in land ownership and the new owners of each of the farms participating in the combination are identical and have identical shares in each property involved.

Producers must request reconstitutions by August 1, 2008.

Adjusted Gross Income Provisions

The 2008 Farm Bill continues the administration of the \$2.5 million adjusted gross income (AGI) limitation for all 2008 crop, program, or fiscal year commodity and conservation programs.

2008 program participants may need to file new CCC-526 (2008 Payment Eligibility Average Adjusted Gross Income Certification) forms.

According to the 2008 Farm Bill, new AGI limitations for 2009 will require new forms to be completed by all producers for the 2009 crop year programs.

Contact the office for details.

Women Stepping Forward for Agriculture Symposium

The symposium will be held September 30 and October 1 in Billings at the Depot and Clock Tower Inn. Registration is \$60.00 and is due September 15th. A detailed agenda and registration information is available on the Montana FSA website at <http://www.fsa.usda.gov/mt>.

**Daniels County FSA
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COC Nominations Open

Nominations for positions on the FSA County Committees are now open. Anyone interested in either nominating themselves or their neighbors are encouraged to submit a nomination form to the office by August 1.

A county or area served by the county committee is divided into local administrative areas (LAA). Each LAA is represented by one member on the county committee. Only one LAA holds an election each year. You must reside within the LAA that is open for election to be eligible to run for a position on the county committee. The **Scobey area** LAA is open for nominations.

All eligible voters will receive a ballot in the mail no later than November 2. At that time, all eligible voters will vote for their favorite candidate, sign the ballot and return the completed ballot to the county office by December 3.

Nomination forms are available at the office or by logging on to the Montana FSA website at:
<http://www.fsa.usda.gov/mt>.

**Persons with disabilities who require accommodations to participate in FSA
programs should contact Myron E. Benson, 131B Hwy 5 East,
406-487-5366 ext. 102 or myron.benson@mt.usda.gov.**